



# ASRS REPORT

## ARIZONA STATE RETIREMENT SYSTEM

Paul Matson, Director  
3300 North Central Avenue, Phoenix, Arizona 85012  
[www.azasrs.gov](http://www.azasrs.gov)

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*January 2008*

This report provides a briefing of news and notices important to our members, retirees and employer partners, as well as other interested parties. It is produced by the ASRS on a periodic basis and posted to the ASRS website. If you would like to receive an email notice when the next issue is posted, and you are not already on our email list, please contact us at [weeklyreport@azasrs.gov](mailto:weeklyreport@azasrs.gov), and provide your name, email address, telephone number and title and organization, if applicable.

## ASRS News

### Arizona named a 'Top Performer' among nation's pension plans

Arizona has been named a national leader for responsible funding of both its pension plans and its retiree health costs in a nationwide study by the non-profit Pew Charitable Trusts.

Arizona was rated a "Top Performer" in its approach to funding both pensions and other benefits provided, such as retiree health insurance.

The study noted that Arizona "is one of just six states on track to fully fund the bill coming due for its non-pension obligations."

It singled out the funding of retiree health insurance, noting that Arizona "has a jump on other states because it has made a practice of setting aside money for future retiree health costs as part of its pension system."

The Arizona State Retirement System offers a retiree health insurance program for its retirees, and those of three other state public pension plans.

"This comprehensive report confirms that the ASRS is well positioned to meet our current and future obligations of providing our members with the retirement benefits they have earned," ASRS Director Paul Matson said. "Our members can have confidence that the benefits they have worked for will be there when they retire."

The study also noted that Arizona has established several reforms that have led to a more stable funding of benefits. The ASRS continues to be engaged in program and policy reviews of its benefit plans to ensure the retirement system is operating efficiently and effectively.

### New law affects retirement options

An amendment to Arizona State Statutes governing optional forms of retirement passed in 2006 will take effect July 1, 2008. Under the new law, members who retire on or after July 1, 2008 will have a one-time opportunity to rescind the joint-and-survivor or period-certain annuity option and change to a

straight-life annuity option if the originally-named annuitant dies, ceases to be a contingent annuitant under terms of a divorce, or automatically at the end of the selected period-certain term.

The practice of “popping up” and “popping down” between annuity options allowed members to receive a higher benefit through the straight-life annuity, and then extend benefits to a beneficiary at any time by “popping down.” The unrestricted practice causes an unfunded liability to the overall ASRS fund, which had to be paid for through contribution rates by other members.

Implementing the new law is calculated to prevent a potential \$29 million in increased employee contributions over time.

Members who retire on or before June 30, 2008 are not affected by the new law. The effective date of the 2006 legislation, now contained in §ARS 38-760, was delayed while the ASRS awaited a review from the Internal Revenue Service.

Members contemplating retirement, and especially those in the process of applying for retirement benefits, are strongly urged to speak with an ASRS Member Services representative prior to filing their final retirement applications.

### **Educational meetings offered to inform, assist members**

The Member Services Division of the ASRS conducts educational meetings available to all members. Whether you're newly hired and want to learn about the benefits available to you, or you're ready to retire and want assistance filling out your paperwork and making annuity selections, the ASRS has a meeting for you.

#### **Know Your Benefits**

This meeting is especially beneficial to new members. You'll learn about the many benefits of belonging to the Arizona State Retirement System, including a history and overview of the ASRS, how your pension is calculated and how to maximize your future benefit, member responsibilities, disability and survivor benefits, options should you leave ASRS employment, and more. Also covered will be the Service Purchase benefit, in which a member may purchase, under certain circumstances, time they worked under other qualified employer plans.

#### **Getting Ready to Retire**

This meeting is vital for members who are planning to retire within a year. You'll learn about your pension benefit and how it's calculated, options for retiree health insurance and other benefits, return to work options and more. Members who register for this meeting will receive a personal benefit estimate and assistance in filing out the proper paperwork.

Visit our website and click on the “Calendars” section to see a full listing of meetings taking place in Phoenix, Tucson and throughout the state at various locations. Reservations are required and can be made by calling our Member Services Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

### **State-Wide Travel Schedule Call today to make your reservation 1 (800) 621-3778**

#### **Yuma**

- **January 22** - City of Yuma Training Room, 1 City Plaza  
Getting Ready to Retire, 2:00 – 5:30 p.m.
- **January 23** - Yuma Elementary District Board Room, 450 W 6<sup>th</sup> Street  
Getting Ready to Retire, 9:00 a.m. – 12:30 p.m.

- **January 24** - City of Yuma Training Room, 1 City Plaza  
Know Your Benefits, 4:00 – 7:00 p.m.
- **January 25** - Yuma Elementary District Board Room, 450 W 6<sup>th</sup> Street  
Getting Ready to Retire, 9:00 a.m. – 12:30 p.m.  
Getting Ready to Retire, 2:00 p.m. – 5:30 p.m.

#### **Lake Havasu City**

- **February 4** - Lake Havasu City Unified School District Board Room, 2200 Havasupai Blvd.  
Know Your Benefits, 10:00 a.m. – 1:00 p.m.  
Getting Ready to Retire, 3:00 – 6:30 p.m.

#### **Parker**

- **February 5** – City of Parker Council Chambers, 1314 11<sup>th</sup> Street  
Getting Ready to Retire, 1:00 – 4:30 p.m.

#### **Bullhead City**

- **February 6** - Town of Bullhead City Council Chambers, 1255 Marina Blvd.  
Getting Ready to Retire, 9:00 a.m. – 12:30 p.m.

#### **Kingman**

- **February 6** - City of Kingman Council Chambers, 310 N 4<sup>th</sup> Street  
Getting Ready to Retire, 4:00 – 7:30 p.m.
- **February 7** - City of Kingman Council Chambers, 310 N 4<sup>th</sup> Street  
Know Your Benefits, 9:00 a.m. – 12:00 p.m.

#### **Casa Grande**

- **February 25** - Casa Grande Elementary District Conference Room, 300 W McMurray Blvd.  
Getting Ready to Retire, 4:00 – 7:30 p.m.
- **February 26** - Grande Elementary District Conference Room, 300 W McMurray Blvd.  
Know Your Benefits, 9:00 a.m. – 12:00 p.m.

#### **Globe**

- **February 26** - City of Globe Council Chambers, 150 N Pine Street  
Getting Ready to Retire, 4:00 – 7:30 p.m.

#### **Apache Junction**

- **February 27** – Apache Junction Unified District Board Room, 1575 W Southern  
Know Your Benefits, 10:00 a.m. – 1:00 p.m.  
Getting Ready to Retire, 4:00 – 7:30 p.m.

#### **Prescott**

- **March 10** - Yavapai County Mackin Building, 840 Rodeo Drive  
Getting Ready to Retire, 3:00 – 6:30 p.m.
- **March 11** - Yavapai County Mackin Building, 840 Rodeo Drive  
Know Your Benefits, 9:00 a.m. – 12:00 p.m.
- **March 12** - Yavapai County Mackin Building, 840 Rodeo Drive  
Getting Ready to Retire, 9:00 a.m. – 12:30 p.m.  
Getting Ready to Retire, 2:00 – 5:30 p.m.
- **March 13** - Cottonwood/Oak Creek Elementary District Board Room, 1 North Willard Street  
Getting Ready to Retire, 9:00 a.m. – 12:30 p.m.

#### **Holbrook:**

- **March 24** - Navajo County Complex, 100 E. Carter Dr., Supervisor's Board Room  
Getting Ready to Retire, 3:00 – 6:30 p.m.

#### **Winslow:**

- **March 25** – Northland Pioneer College Little Colorado Campus, Room 112, 1400 E 3<sup>rd</sup> Street  
Getting Ready to Retire, 9:00 a.m. – 12:30 p.m.

#### **Flagstaff**

- **March 25** - City of Flagstaff Council Chambers, 211 W. Aspen Avenue  
Getting Ready to Retire, 4:00 – 7:30 p.m.

- **March 26** - City of Flagstaff Council Chambers, 211 W. Aspen Avenue  
Know Your Benefits, 9:00 a.m. – 12:00 p.m.  
Getting Ready to Retire, 4:30 – 8:00 p.m.
- **March 27** - Flagstaff Unified School District Board Room, 3285 E. Sparrow Avenue  
Getting Ready to Retire, 9:00 a.m.– 12:30 p.m.

## **ASRS Board & Committee Meetings**

### **ASRS Board of Trustees**

Friday, February 15, 2008, 8:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 10<sup>th</sup> floor Board Room.

### **External Affairs Committee**

Friday, February 1, 2008, 3:30 p.m. – ASRS Phoenix office, 3300 N. Central Ave., 14<sup>th</sup> floor.

### **Investment Committee**

Wednesday, February 6, 2008, 3:30 p.m. – ASRS Phoenix office, 3300 N. Central Ave., 14<sup>th</sup> floor.

### **Operations Committee**

Friday, February 28, 2008, 10:30 a.m. - ASRS Phoenix office, 3300 N. Central Ave., 14<sup>th</sup> floor.

*Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of meetings are posted on our website and are available at our Phoenix and Tucson offices.*